Newtek Business Services Corp. Receives Shareholder Approval to Discontinue the Company's Election to be Regulated Under the Investment Company Act of 1940

June 1, 2022

BOCA RATON, Fla., June 01, 2022 (GLOBE NEWSWIRE) -- Newtek Business Services Corp., (NASDAQ: NEWT), an internally managed business development company ("BDC"), announced that earlier today at a special meeting of shareholders (the "Special Meeting"), Newtek shareholders overwhelmingly approved a proposal authorizing the Company's Board of Directors to discontinue the Company's election to be regulated under the Investment Company Act of 1940, as amended (the "1940 Act") (subject to certain regulatory approvals and closing conditions described in the Company's Proxy Statement dated May 2, 2022) (the "Proposal"). As disclosed in the Company's Form 8-K filed today, 89% of the votes cast at the Special Meeting were in favor of the Proposal.

As disclosed on August 2, 2021, the Company entered into a stock purchase agreement to acquire all of the issued and outstanding stock of the National Bank of New York City ("NBNYC") (the "Transaction"), subject to regulatory approvals and closing conditions. Following the closing of the Transaction, the Company intends to rename NBNYC as Newtek Bank & Trust, N.A., to operate as a bank holding company, and to elect financial holding company status.

The Company's Board of Directors will not seek to discontinue the Company's election as a BDC under the 1940 Act until after the Company receives the necessary regulatory approvals of the Transaction and after Transaction closing conditions are met. Any discontinuance of the Company's BDC election will become effective upon receipt by the SEC of a Form N-54C. After the Form N-54C is filed with the SEC, the Company will no longer be subject to the regulatory provisions of the 1940 Act applicable to BDCs. The Company anticipates the Transaction to be completed during the third quarter of 2022.

Barry Sloane, Chairman, President and Chief Executive Officer said, "We are extraordinarily pleased with the results announced today at our Special Meeting of Shareholders. As we close out the results of the Special Meeting proxy vote to give the Board authorization to discontinue the Company's election to be regulated under 1940 Act, as we have previously stated, management and the Board believe it is in the long-term best interest of the Company to have the authorization and the option to discontinue the election and to move forward with the acquisition of NBNYC, subject to regulatory approvals and closing conditions."

"Given the recent troubled and turbulent times in the world economy and in the U.S. capital markets, we believe that receiving 89% "FOR" votes for this Proposal is a tremendous testimony to the relationship the Company has with its shareholders. The resulting shareholder action today is an important step towards Newtek executing on its strategy that is has developed over the course of 24 years; becoming the One Company to make our business clients more successful, and the One Company business clients come to for their important and vital business needs."

"We want to thank all of our loyal shareholders for continuing to have faith in Newtek and its management, and we anticipate successfully navigating the current turbulence in the economy and in the market, as we have done historically even through the difficult conditions of the 2008-2009 credit crisis and the recent pandemic. We look forward with optimism and confidence to continuing to utilize technology to be a disruptor in providing financial and business solutions to independent business owners, particularly through becoming a bank holding company and owning NBNYC - a nationally chartered bank. We believe the world is changing, technology is changing and banking will change so that financial institutions will have to do more for their customers than just take deposits and make loans. We believe we will be well suited to accept and conquer the challenge as the bank of the future."

Newtek Business Services Corp., Your Business Solutions Company®, is an internally managed BDC, which along with its controlled portfolio companies, provides a wide range of business and financial solutions under the Newtek® brand to the small- and medium-sized business ("SMB") market. Since 1999, Newtek has provided state-of-the-art, cost-efficient products and services and efficient business strategies to SMB relationships across all 50 states to help them grow their sales, control their expenses and reduce their risk.

Newtek's and its portfolio companies' products and services include: Business Lending, SBA Lending Solutions, Electronic Payment Processing, Technology Solutions (Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting), eCommerce, Accounts Receivable Financing & Inventory Financing, Insurance Solutions, Web Services, and Payroll and Benefits Solutions.

Newtek® and Your Business Solutions Company® are registered trademarks of Newtek Business Services Corp.

Note Regarding Forward Looking Statements

This press release contains certain forward-looking statements. Words such as "believes," "intends," "expects," "projects," "anticipates," "forecasts," "goal" and "future" or similar expressions are intended to identify forward-looking statements. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations, are contained in Newtek's filings with the Securities and Exchange Commission and available through http://www.sec.gov/. Newtek cautions you that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected or implied in these statements.

SOURCE: Newtek Business Services Corp.

Investor Relations & Public Relations
Contact: Jayne Cavuoto
Telephone: (212) 273-8179 / jcavuoto@newtekone.com

Source: Newtek Business Services Corp.